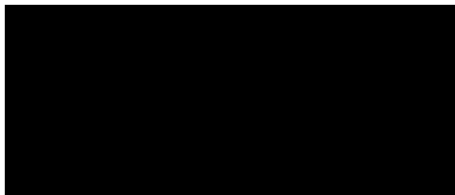


25 November 1959

Dear Dan:


In recent audits covering the expenditures under our Project 2260, from its inception until 1 July 1959, the auditors have discovered that the contract did not have an overtime provision as such, and, hence, are suspending the premium pay involved. If you will remember, the question of overtime came up and the policy of working on verbal approvals initially used was amended so that except in cases of emergency, we have been requesting approval by teletype. In cases of emergency, the approval is requested after the fact.

We do not consider the approval procedure burdensome, but the fact still remains that the contract does not, as such, have any provision for overtime and, hence, the premium pay will continue to be suspended. We feel that an amendment should be issued retroactive to the inception of the contract allowing for the utilization of overtime as directed in the performance of the work. We are perfectly willing to continue requesting approvals where possible, but should you desire to allow overtime at our discretion, we assure you that the normal controls that we exercise over overtime on our Government contracts would apply, and that the supervisory personnel would be responsible to determine the need for the overtime and would, in fact, sign the time sheets of the individuals involved. I believe that this matter is fairly urgent if we are to prevent further controversy with the audit people.

Very truly yours,
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